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Preliminary Economic Impact of COVID-19 on Green Industry Sales in the Southeastern U.S.

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Green Industry Overview

The Green Industry consists of wholesale nursery, greenhouse, turfgrass sod producers, landscape design, construction/maintenance firms and wholesale and retail distribution firms (e.g., garden centers, home stores, mass merchandisers with lawn/garden departments, brokers/rewholesale distribution centers, and allied trade suppliers (Hodges et al., 2015). The estimated value of the U.S. Green Industry in 2018 was more than \$190 billion with employment impacts of 2.3 million jobs (direct or indirect relation to the industry) (Hall et al. 2020).

Impact of COVID-19 on Plant Sales in the Southeast

On January 31, 2020 the Secretary of Health and Human Services declared a public health emergency to deal with the novel COVID-19 virus (HHS, 2020). By March 13, 2020, the concern around COVID-19 had been elevated to a nationwide emergency (FEMA, 2020) and many states began to implement lockdowns. These lockdowns and the subsequent reactions to COVID-19 have had a profound impact on the Green Industry. From the time periods of January-July 2019 to January-July 2020 consumers in the Southeast U.S. increased their plant purchasing by 3.4% (Table 1). This equates to around \$132 million in increased sales for the industry. This increase cannot completely be attributed to COVID-19 as plant purchasing was trending upward over the last couple of years. However, we can have some confidence that the change is due to COVID-19 given plant purchasing generally follows the economy (i.e., economy slows, plant purchasing decreases). In March 2020 when COVID-19, and specifically stay-at-home orders and business closures hit, the economy came to a drastic stop. Given the direct connection between the economy and plant sales, the expectation would be that a decrease in plant sales would occur. However, this is not what happened in many states. For instance, 6 of the 8 states surveyed had increases in plants sales, with Tennessee and South Carolina being the only exceptions.

Impact of COVID-19 on Landscape Item Sales in the Southeast

As with plant sales, one would anticipate landscape items (e.g., pots, fertilizers, mulch, etc.) to experience a decrease in sales due to the economic slowdown. For 5 out of the 8 states this is exactly what happened (Table 1). This is most likely due to the closure and/or increased difficulty of purchasing these items from larger retailers. Even though 5 out of 8 states had decreased plant sales from 2019 to 2020, there were around \$853 million in additional sales coming mainly from Florida and North Carolina.

Total Impact of COVID-19 on Plant and Landscape Item Sales in the Southeast

As can be seen in Table 2, the impact of COVID-19 had differing impacts across the southeast region of the U.S. For instance, in Alabama the impact was minimal since the increase of plant sales was canceled out by the decrease in landscape item sales. However, Florida saw an increase in both plant sales (\$77 million) and landscape items (\$236 million) for a total increase of \$313 million. Tennessee saw a loss of \$80 million with the largest loss occurring in decreased plant sales.

Overall, the Southeast saw a \$306 million increase to the Green Industry (only plant and landscape item) sales. If this number is extrapolated to the U.S., the Green Industry had \$1.5 billion in additional sales between the periods January – July 2019 and January – July 2020.

For most states in the Southeast, these numbers seem promising. However, the Green Industry will need to find ways to capitalize on consumer engagement in gardening/landscaping activities and find ways to maintain that interest in the long-term.

References

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Table 1. Changes in Plants and Other Product Purchasing.

	Purchases Jan. - July		Change (%)	Extrapolated to Population (\$) ^a
	2019	2020		
<i>Plants for home, garden or landscape</i>				
Alabama	\$151	\$155	2.8%	\$6,130,416
Florida	\$246	\$259	5.3%	\$77,046,192
Georgia	\$220	\$224	1.9%	\$11,772,264
Louisiana	\$99	\$158	59.7%	\$79,116,267
Mississippi	\$189	\$207	10.0%	\$16,113,539
North Carolina	\$165	\$191	16.2%	\$80,571,488
South Carolina	\$191	\$187	-2.1%	(\$5,854,530)
Tennessee	\$251	\$218	-12.9%	(\$63,849,920)
Southeast	\$204	\$211	3.4%	\$132,381,965
U.S.	--	--	--	\$649,235,901 ^a

Landscape items, such as pots, fertilizers, mulch, etc. (not including plants)

	Purchases Jan. - July		Change (%)	Extrapolated to Population (\$)
	2019	2020		
Alabama	\$146	\$142	-2.8%	(\$5,966,405)
Florida	\$240	\$280	16.8%	\$236,911,084
Georgia	\$225	\$206	-8.6%	(\$55,464,031)
Louisiana	\$102	\$141	37.9%	\$51,796,521
Mississippi	\$190	\$152	-20.2%	(\$32,710,868)
North Carolina	\$152	\$197	29.7%	\$136,117,326
South Carolina	\$179	\$171	-4.2%	(\$10,914,528)
Tennessee	\$256	\$248	-3.3%	(\$16,540,103)
Southeast	\$201	\$210	4.6%	\$174,114,373
U.S.	--	--	--	\$853,902,582 ^a

^a Extrapolation calculated by multiplying dollar increase/decrease from January-July 2019 to January-July 2020 by the number of households in the state.

Table 2. Impact of COVID-19 on
Green Industry Sales.

	Total Effect (Plants + Landscape Items)
Alabama	\$164,011
Florida	\$313,957,276
Georgia	(\$43,691,767)
Louisiana	\$130,912,789
Mississippi	(\$16,597,329)
North Carolina	\$216,688,814
South Carolina	(\$16,769,058)
Tennessee	(\$80,390,023)
Southeast	\$306,496,338
U.S.	\$1,503,138,482 ^a

^a The U.S. estimate assumes that trends in the Southeastern U.S. hold across the U.S.